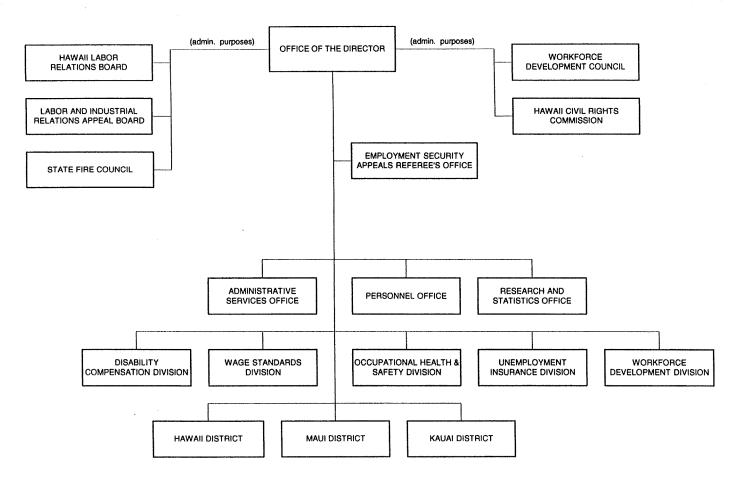


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DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS MAJOR FUNCTIONS

- Administers federal and state programs designed to improve the economic security, occupational safety and health, working conditions, and productivity of workers, and maintain favorable labor-management relationships throughout the State.
- Administers comprehensive employment and training services to both job seekers and employers through a system of employment offices located statewide.
- Administers the State Unemployment Insurance program. Ensures that fair hearings before impartial appeals referees are provided to employers and claimants with respect to determinations made by the department regarding unemployment insurance benefits, disaster unemployment insurance, and other security decisions.

Unemployment Compensation

- Administers and enforces that State's occupational safety and health laws.
- Administers all activities pertinent to the management of the Workers' Compensation, Temporary Disability Insurance, and Prepaid Health Care laws and programs.
- Administers and enforces State labor laws dealing with wages and other compensation, hours, child labor, family leave, and related rules and regulations.
- Conducts program, labor market, and economic research to augment and enhance management decisions and policy making capabilities

MAJOR PROGRAM AREAS

The Department of Labor and Industrial Relations has programs in the following major program area:

Employment

LBR 171

LBR 111	Placement Services	LBR 183	Disability Compensation
LBR 135	Workforce Development Council	LBR 812	Labor and Industrial Relations Appeals Board
LBR 143	Occupational Safety and Health	LBR 901	DLIR-Data Gathering, Research and Analysis
LBR 152	Wage Standard and Fair Employment Practices	LBR 902	General Administration
LBR 153	Civil Rights Commission	LBR 903	Office of Community Services
LBR 161	Public and Private Employment		

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS Department Summary

Mission Statement

To increase the economic security, physical and economic well being and productivity of workers and achieve industrial peace.

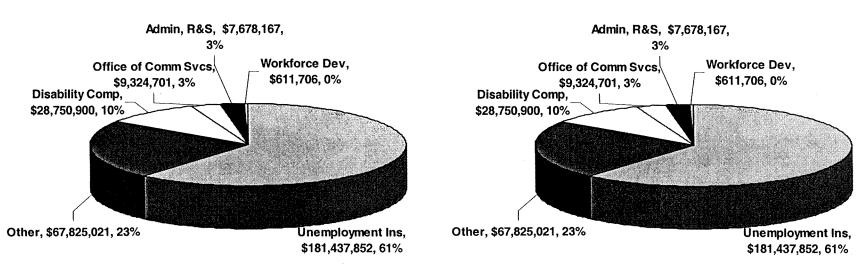
Department Goals

To promote access to employment and assess the needs and skills of the workforce; to alleviate the economic hardship of workers during periods of disability or temporary unemployment; to protect the employment rights of workers and to assure a safe and healthy workplace; to develop, deliver and coordinate information to meet labor market supply and demand; and to promote the harmonious working relationship between business, labor, educators, and government agencies.

Significant Measures of Effectiveness	FY 2006	FY 2007
1. Job applicants served as a percentage of total registered	100	100
2. Accident, injury/illness rate per 100 employees	6	6
3. Percentage of subject employers in compliance with Workers' Compensation,	90	90
Temporary Disability Insurance, and Prepaid Health Care laws		

FB 2005-2007 Budget by Major Activity

FY 2006 FY 2007



Department of Labor & Industrial Relations (Operating Budget)

	<u>FY</u>	2005 Allocation	<u>FY 2006</u>	FY 2007
Funding Sources:	Positions	257.14	258.64	258.64
General Fund	\$	15,549,662	16,755,725	16,755,725
		4.00	4.00	4.00
Special Funds		200,035,269	197,079,890	197,079,890
		410.65	433.60	433.60
Federal Funds		77,022,358	78,122,077	78,122,077
Interdepartmental T	Transfers Transfers	1,446,052	3,620,655	3,620,655
Revolving Funds			50,000	50,000
		671.79	696.24	696.24
Total Requirements		294,053,341	295,628,347	295,628,347

Highlights of the Executive Biennium Budget Request:

- 1. Added general funds of \$800,000 in both years for the Office of Community Services to provide services to assist disadvantaged persons, immigrants, and refugees.
- 2. Added general funds of \$74,214 and 1.50 permanent positions, federal funds of \$779,919 and 21.45 permanent and 3.00 temporary positions; and special funds of \$69,269 and 2.00 temporary positions in both years to continue funding of positions authorized under Act 154, SLH 2004.
- 3. Added federal funds of \$68,544 and 1.50 permanent positions in both years to support the investigation and prosecution of discrimination complaints.
- 4. Added interdepartmental funds of \$1,310,604 and 21 temporary positions in both years to fund a statewide project for development and placement services for non-custodial parents of children whose custodial parents receive benefits under the Department of Human Services' Temporary Assistance to Needy Families program.

OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

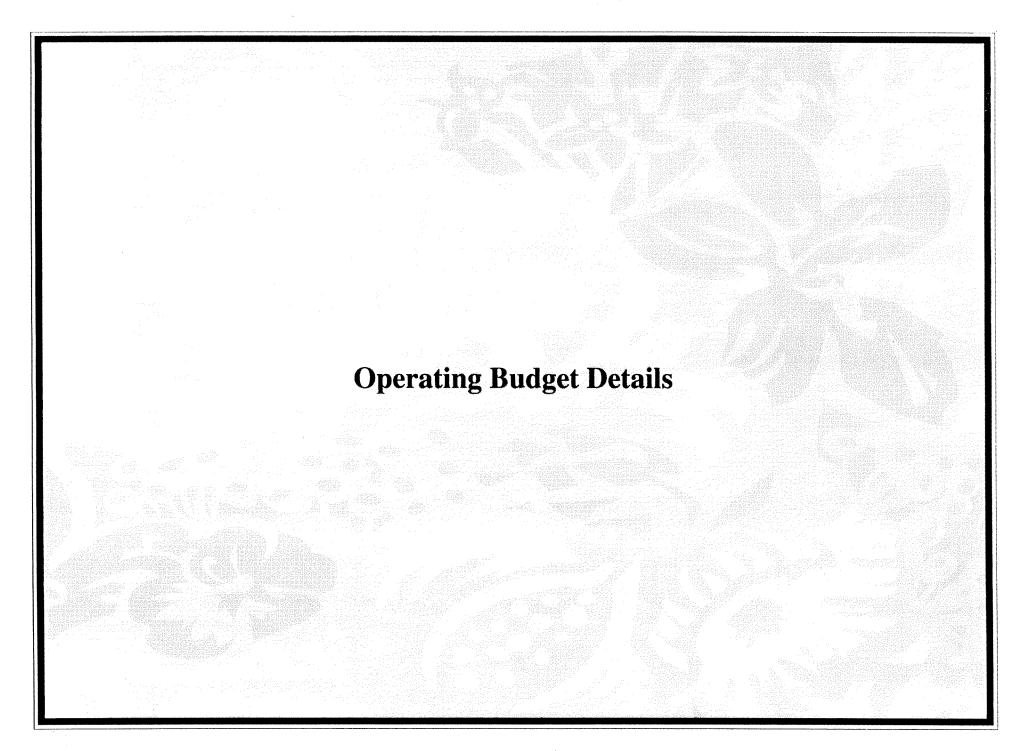
PROGRAM STRUCTURE NO.

PROGRAM TITLE:

DEPT OF LABOR AND INDUSTRIAL RELATIONS

		IN INDI	ARS			IN INUUS	ANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	718.59*	694.74*	696.24*	696.24*	696.2*	696.2*	696.2*	696.2*
PERSONAL SERVICES	45,669,409	44,484,538	48,347,787	48,347,787	48,347	48,347	48,347	48,347
OTHER CURRENT EXPENSES	251,134,486	251,950,285	247,275,755	247,275,755	247,276	247,276	247,276	247,276
EQUIPMENT	4,805	4,805	4,805	4,805	5	5	5	5
TOTAL OPERATING COST	296,808,700	296,439,628	295,628,347	295,628,347	295,628	295,628	295,628 ======	295,628
BY MEANS OF FINANCING								
	265.69*	258.64*		•	258.6*	258.6*	258.6*	258.6*
GENERAL FUND	17,545,999		16,755,725	16,755,725	16,755			16,755
	4.00*	4.00*		4.00*	4.0*	4.0*	4.0*	4.0*
SPECIAL FUND	200,086,717				197,081	197,081	•	197,081
	448.90*	432.10*	433.60*	433.60*	433.6*	433.6*	433.6*	433.6*
OTHER FED. FUNDS	77,805,940	76,928,678	78,122,077	78,122,077	78,122	78,122	78,122	78,122
	*	*	*	*	*	*	*	*
INTERDEPT. TRANSFER	1,370,044	1,383,418	3,620,655	3,620,655	3,620	3,620	3,620	3,620
	*	*	*	*	*	*	*	*
REVOLVING FUND			50,000	50,000	50	50	50	50
TOTAL POSITIONS	718.59*	694.74*	696.24*	696.24*	696.20*	696.20*	696.20*	696.20*
TOTAL PROGRAM COST	296,808,700		295,628,347		295,628	295,628	295,628	295,628
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OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO. 02

PROGRAM TITLE:

EMPLOYMENT

		IN THOUSANDS						
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	718.59*	694.74*	696.24*	696.24*	696.2*	696.2*	696.2*	696.2*
PERSONAL SERVICES	45,669,409	44,484,538	48,347,787	48,347,787	48,347	48,347	48,347	48,347
OTHER CURRENT EXPENSES	251,134,486	251,950,285	247,275,755	247,275,755	247,276	247,276	247,276	247,276
EQUIPMENT	4,805	4,805	4,805	4,805	5	5	5	5
TOTAL OPERATING COST	296,808,700	296,439,628	295,628,347	295,628,347	295,628	295,628	295,628	295,628
BY MEANS OF FINANCING				1				
	265.69*	258.64*	258.64*	258.64*	258.6*	258.6*	258.6*	258.6
GENERAL FUND	17,545,999	18,040,815	16,755,725	16,755,725	16,755	16,755	16,755	16,755
	4.00*	4.00*	4.00*	4.00*	4.0*	4.0*	4.0*	4.0
SPECIAL FUND	200,086,717	200,086,717	197,079,890	197,079,890	197,081	197,081	197,081	197,081
	448.90*	432.10*	433.60*	433.60*	433.6*	433.6*	433.6*	433.6
OTHER FED. FUNDS	77,805,940	76,928,678	78,122,077	78,122,077	78,122	78,122	78,122	78,122
	*	*	*	*	*	*	*	
INTERDEPT. TRANSFER	1,370,044	1,383,418	3,620,655	3,620,655	3,620	3,620	3,620	3,620
	*	*	*	*	*	*	*	,
REVOLVING FUND			50,000	50,000	50	50	50	50
TOTAL POSITIONS	718.59*	694.74*	696.24*	696.24*	696.20*	696.20*	696.20*	696.20×
TOTAL PROGRAM COST	296,808,700	296,439,628	295,628,347	295,628,347	295,628	295,628	295,628	295,628
	=======================================			==========	=======	========	=======	275,020

OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

LBR111

PROGRAM STRUCTURE NO. 020101

PROGRAM TITLE:

PLACEMENT SERVICES

		IN THOUSANDS						
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	123.50*	123.50*	123.50*	123.50*	123.5*	123.5*	123.5*	123.5*
PERSONAL SERVICES	13,841,380	13,644,800	15,950,854	15,950,854	15,951	15,951	15,951	15,951
OTHER CURRENT EXPENSES	46,741,040	46,444,306	43,593,096	43,593,096	43,593	43,593	43,593	43,593
TOTAL OPERATING COST	60,582,420	60,089,106	59,543,950	59,543,950	59,544	59,544	59,544	59,544
BY MEANS OF FINANCING								
DI MERNS OF FINANCING	4.30*	4.30*	4.30*	4.30*	4.3*	4.3*	4.3*	4.3*
GENERAL FUND	282,455	282,455	296,099	296,099	296	296	296	296
	*	*	*	*	*	*	*	*
SPECIAL FUND	9,800,412	9,800,412	6,777,527	6,777,527	6,778	6,778	6,778	6,778
	119.20*	119.20*	119.20*	119.20*	119.2*	119.2*	119.2*	119.2*
OTHER FED. FUNDS	49,182,640	48,675,952	48,902,800	48,902,800	48,903	48,903	48,903	48,903
	*	*	*	*	*	*	*	*
INTERDEPT. TRANSFER	1,316,913	1,330,287	3,567,524	3,567,524	3,567	3,567	3,567	3,567
TOTAL POSITIONS	123.50*	123.50*	123.50*	123.50*	123.50*	123.50*	123.50*	123.50*
TOTAL PROGRAM COST	60,582,420		59,543,950	59,543,950	59,544	59,544	59,544	59,544
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PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

LBR-111

PROGRAM STRUCTURE NO: 020101

PROGRAM TITLE:

PLACEMENT SERVICES

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 JOB APPLICANTS SERVED AS % TOTAL REGISTERED	100	100	100	100	100	100	100	100
2 JOB APPLICANTS PLACED AS % TOTAL REFERRED	19	15	15	15	15	15	15	15
3 JOB REFERRALS AS % JOB OPENINGS RECEIVED	0	0	0	0	0	0	0	0
4 ADULTS PLACED IN JOBS AS % COMPLETED TRAINING	73	71	71	71	71	71	71	71
5 YOUTHS PLACED IN JOBS AS % COMPLETED TRAINING	81	78	78	78	78	78	78	78
6 YOUTHS ATTAINED SKILLS AS % TOTAL ENROLLMENTS 7 APPRENTICESHIP COMPLETION AS % OF TOTAL REGISTERED	59 25	60 25						
PROGRAM TARGET GROUPS								
1 NO. OF JOB SEEKERS APPLYING FOR JOBS	47111	45000	45000	45000	45000	45000	45000	45000
2 NO. OF EMPLOYERS LISTING JOB OPENINGS	2677	2500	2500	2500	2500	2500	2500	2500
3 NO. OF LOW INCOME PERSONS ENROLLED IN TRAINING	3473	3500	3500	3500	3500	3500	3500	3500
4 NO. OF PERSONS AGE 55 & OVER ENROLLED IN TRNG	166	175	175	175	175	175	175	175
5 NO. OF UI RECIPIENTS ENROLLED IN TRAINING	439	450	450	450	450	450	450	450
6 NO. OF WELFARE RECIPIENTS ENROLLED IN TRAINING	397	400	400	400	400	400	400	400
PROGRAM ACTIVITIES								
1 NO. OF JOB SEEKERS REGISTERED	42989	41000	41000	41000	41000	41000	41000	41000
2 NO. OF JOB OPENINGS RECEIVED	15991	12000	12000	12000	12000	12000	12000	12000
3 NO. OF JOB SEEKERS ASSISTED	42989	41000	41000	41000	41000	41000	41000	41000
4 NO. OF JOB SEEKERS WHO ENTERED EMPLOYMENT	24847	21000	21000	21000	21000	21000	21000	21000
5 NO. OF EMPLOYERS CONTACTED FOR JOB DEVELOPMT	640	500	500	500	500	500	500	500
6 NO. OF CLIENTS ENROLLED IN TRAINING	5352	5500	5500	5500	5500	5500	5500	5500
7 NO. OF CLIENTS ENROLLED IN APPRENTICESHIPS	4750	5000	5000	5000	5000	5000	5000	5000
8 NO. OF NEW OR EXPANDED APPRENTICESHIP PROGRAMS	1	2	2	2	2	2	2	2
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES	1,000	950	900	900	900	900	900	900
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	28,758	23,006	23,006	24,006	24,006	25,006	25,006	25,006
ALL OTHER			_					
CHARGES FOR CURRENT SERVICES	6	6	6	6	6	6	6	6
FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS								
NON-REVENUE RECEIFIS								
TOTAL PROGRAM REVENUES	29,764	23,962	23,912	24,912	24,912	25,912	25,912	25,912
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS C	OF DOLLARS):							
SPECIAL FUNDS	29,758	23,956	23,906	24,906	24,906	25,906	25,906	25,906
GENERAL FUND	6	6	6	6	6	6	6	6
TOTAL PROGRAM REVENUES	29,764	23,962	23,912	24,912	24,912	25,912	25,912	25,912

A. Statement of Program Objectives

To deliver employment and training services to job applicants, workers, and industry throughout the State that are integrated with economic development efforts.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The following revisions are requested:

- Restore position count and fund ceiling deleted in the Executive Budget and subsequently restored by Act 154.
- Increase the "U" interdepartmental transfer ceiling to increase funds for the
 anticipated fringe benefit rate for the Food Stamp Program and First to Work
 Program being contracted from Department of Human Services (DHS) and a
 Non-Custodial Parents Program to be contracted from DHS.
- Increase the U" interdepartmental transfer ceiling and "U" funded position count
 to provide funds for the Non-Custodial Parent Program. This program will
 provide job placement services to non-custodial parents to increase their
 employment prospects and thereby reduce the child's dependence on welfare.
- Trade off federal and special fund positions to interdepartmental fund ("U")
 positions to help staff the Non-Custodial Parent Program.
- Decrease the fund ceiling for Employment Training Fund for LBR 111/PA based on the reduction in the assessment rate from .03% to .01%

C. Description of Activities Performed

- Administer programs for employment, training, apprenticeship and related services, allocate resources, and establish statewide policies.
- Coordinate employment, training, and apprenticeship programs within the State to maximize the use of resources and to improve the delivery of services.
- Register, assess, and counsel job seekers, as needed, to assist them in developing and implementing employability development plans.

- Solicit and receive job orders from employers and recruit, screen, select, and refer job seekers to job openings, training, and apprenticeship programs.
- Monitor programs as required and provide technical assistance for the maintenance and operation of approved programs.

D. Statement of Key Policies Pursued

The following key policies pursued by various programs under LBR 111 relate to Objectives A, B, C and E of the Hawaii State Plan for Employment:

Objective A Improve the Qualifications of Entry Level Workers and Their Transition to Employment

Objective B Develop and Deliver Education, Training and Related Services to Ensure and Maintain a Quality and Competitive Workforce

Objective C Improve Labor Exchange

Objective E Improve Planning of Economic Development, Employment and Training Activities

E. Identification of Important program Relationships

Workforce Development programs maintain close relationships with federal, county and private sector agencies.

The primary source of program funds is from federal appropriations provided through the USDOL. Staff work closely with federal representatives in administering the various programs. A major proportion of the federal funds received must be passed through to the counties with the State maintaining oversight responsibility for program operations and expenditures.

Some federal funds and State funds are provided to private, nonprofit agencies to provide services to special groups such as older individuals.

Apprenticeship program staff maintain close working relationships with various labor unions. Employment and Training Fund program staff work with business and industry representatives to develop training programs for the private sector and their employees.

F. Description of Major External Trends Affecting the Program

The state of the economy, both locally and nationally, affects the amount of federal funds received. This, in turn, affects the level of expenditures and the number of individuals who can be served.

G. Discussion of Cost, Effectiveness, and Program Size Data

Federal funds allotted to Hawaii for job training programs decreased in FY 03-04 due to reduced federal appropriations. Fewer individuals were provided training services because of the reduced allotments. Training programs were effective in improving employment outcomes.

Federal funds allotted to Hawaii for labor exchange programs in FY 03-04 decreased slightly as compared to the preceding biennium due to reduced federal appropriations. The number of job seekers decreased somewhat due to emphasis on self-service in the federally mandated one-stop systems. Outcomes for the labor exchange programs were positive.

H. Discussion of Program Revenues

Act 68, SLH 1991, established an Employment and Training Fund to assist employers in upgrading workers skills. Program funds are obtained from a tax on employers collected through the unemployment insurance system. The tax will generate about \$800,000 during each year of FY 05-06.

Summary of Analysis Performed

None.

J. Further Considerations

None.

REPORT P61-A

PROGRAM ID:

LBR135

PROGRAM STRUCTURE NO. 020104

PROGRAM TITLE:

WORKFORCE DEVELOPMENT COUNCIL

		IN THOUSANDS						
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	3.00*	3.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
PERSONAL SERVICES	333,517	343,138	354,088	354,088	354	354	354	354
OTHER CURRENT EXPENSES	268,934	352,813	252,813	252,813	253	253	253	253
EQUIPMENT	4,805	4,805	4,805	4,805	5	5	5	5
TOTAL OPERATING COST	607,256	700,756	611,706	611,706	612	612	612	612
	=======================================		=======================================	==========				
BY MEANS OF FINANCING				!				
	3.00*	3.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
GENERAL FUND	174,335	274,335	177,100	177.100	177	177	177	177
	*	*	*	*	*	*	*	*
OTHER FED. FUNDS	432,921	426,421	434,606	434,606	435	435	435	435
TOTAL POSITIONS	2.00:	9.00.						
	3.00*	3.00*	3.00*	3.00*	3.00*	3.00*	3.00*	3.00*
TOTAL PROGRAM COST	607,256	700,756	611,706	611,706	612	612	612	612
	==========		========					

PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

LBR-135

PROGRAM STRUCTURE NO: 020104

PROGRAM TITLE:

WORKFORCE DEVELOPMENT COUNCIL

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % RECOM POLICIES IMPLMNTD LEGISLTVLY OR ADMINTVLY	50	50	50	50	50	50	50	50
2 %OF PTENTL AGENCS PARTICPTNG IN PLNNG & COORD	80	80	80	80	80	80	80	80
3 %TGT STEPS COMPL IN MEETG WKFCE INVSMT ACT RESP	80	80	80	80	80	80	80	80
4 %SURVEYED EMPLYRS SATISFIED W/WRKFC REFS & PARTICS	70	70	70	70	70	70	70	70
5 %SURVEYED WKFCE REFS&PARTICS SATIS'D W/EMPLOYMENT	70	70	70	70	70	70	70	70
PROGRAM TARGET GROUPS								
1 CIVILIAN POPULATION (AGE 14-64)	889000	893000	893000	893000	893000	893000	893000	893000
2 ELEMENTARY AND SECONDARY SCHOOL POPULATION	212000	212000	212000	212000	212000	212000	212000	212000
3 POST-SECONDARY SCHOOL POPULATION	26000	26300	26300	26300	26300	26300	26300	26300
PROGRAM ACTIVITIES								
1 NO. OF REPORTS/PUBLICATIONS COMPLETED	7	10	10	10	10	10	10	10
2 NO. MTGS W/AGENCIES ON PLAN./COORD./DEVELOP./EVAL.	100	200	300	300	300	300	300	300
3 NO. COUNCIL/COMMITTEE/PUBLIC MEETINGS	45	45	60	60	60	60	60	60
4 NO. OF PUBLICATIONS DISSEMINATED	1350	3000	2000	2000	2000	2000	2000	2000
5 NO. OF PROGRAM REVIEWS & EVALUATIONS	7	10	10	10	10	10	10	10
6 NO. OF INFORMATION REQUESTS	2500	2000	2000	2000	2000	2000	2000	2000
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	400	400	400	400	400	400	400	400
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	400	400	400	400	400	400	400	400
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS	OF DOLLARS):							
SPECIAL FUNDS	400	400	400	400	400	400	400	400
TOTAL PROGRAM REVENUES	400	400	400	400	400	400	400	400

A. Statement of Program Objective

To lead and coordinate the continuing development of a skilled and competitive state workforce; to improve and enhance program effectiveness and efficiency and reduce and eliminate program overlaps and duplications; to recommend and act on policies in workforce development; and to assist in building state and local businesses and employment opportunities for all Hawaii's people.

B. Description of Request and Compliance with Section 36-68(1)(A)(B)

The Workforce Development Council's (WDC) executive director position was filled by an employee in the Director's office on an acting basis, and there were personnel savings during the fiscal year 2005. The WDC's request for restoration for the efficiency savings was denied, lowering the ceiling for personnel by \$4,120.

The impact will be insufficient funds to cover the salaries of the three full-time state-funded employees. The incoming executive director is being recruited in November-December, 2004. The federal funded staff are required to perform Workforce Investment Act (WIA) activities.

C. <u>Description of Activities Performed</u>

1. The WDC will prepare a yearly report for the Governor and Legislature on workforce issues, an resource map of federal and state funded programs and services, and recommendations for legislative and administrative consideration and implementation.

- 2. The WDC will continue to implement the federal WIA, leading the partnership for all workforce programs. It will provide technical assistance to the local boards and youth councils, collaboratively update WIA policies and the five-year State WIA Plan, develop intergovernmental performance measures, seek waivers to programs under the federal WIA, monitor and advise on Hawaii's implementation of a One-Stop system, review and advise on the workforce partners' status and issues, and develop incentive and award programs.
- 3. The WDC will meet the responsibilities of Chapter 202, HRS, to the best of its resources capability. The duties of the Council that will receive priority attention are:
 - a. Identification and collection of data to provide information on measurable outcomes to meet state and federal requirements.
 - b. The description and analysis of workforce information analyzing changes expected to occur in the next five years.
 - c. The establishment of a workforce system in the state in which resources are pooled, coordinated and streamlines and where workforce policies promote economic diversification and growth and are supported by education and training programs and services.
 - d. A continuing dialogue will be maintained with local communities so they will provide grassroots input to help shape workforce policies and implement programs and services in support of these policies.

D. Statement of Key Policies Pursued

The WDC's major policy documents are the state's WIA five-year plan and the Workforce Development Strategic Plan which will serve both state and federal purposes. The WDC serves as the workforce policy advisory body to the Governor, Legislature and state and local workforce programs. The yearly report to the Governor will provide updates on the plans and actions on key policies.

E. Identification of Important Program Relationships

The WDC's key program relationships are with 1) partner agencies on the Council (DLIR, DBEDT, DHS, DOE, UH); 2) local workforce investment boards and their youth councils, both mandated by the federal WIA; and community-based partners such as industry intermediary organizations, ALU LIKE, and school and community organizations.

F. Description of Major External Trends Affecting the Program

The immediate external trends affecting the program are 1) state government reductions which have seriously affected Council staff; 2) federal government workforce program requirements and funds to support the increased workload; 3) imbalances in labor supply and demand; 4) changing state economic sectors impacted by the burgeoning effects of technology, industry restructuring, global competition, and state and private diversification efforts; 5) demographics such as the aging population; 6) education and training reform particularly in standards-based knowledge, skills and performance; and 7) federal work-first policies in social services programs.

G. Discussion of Cost, Effectiveness, and Program Size Data

In the last year, an acting executive director and four Council staff served a council of 31 members and performed Council responsibilities. One vacant position would be assigned more of the evaluation responsibilities than can currently be handled.

H. Discussion of Program Revenue

None

I. Summary of Analysis Performed

None

J. Further Considerations

None

OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

LBR143

PROGRAM STRUCTURE NO. 0202

PROGRAM TITLE:

OCCUPATIONAL SAFETY & HEALTH

		IN THOUSANDS						
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	68.00*	65.00*	65.00*	65.00*	65.0*	65.0*	65.0*	65.0*
PERSONAL SERVICES	3,074,660	2,999,742	3,172,940	3,172,940	3,172	3,172	3,172	3,172
OTHER CURRENT EXPENSES	902,898	1,052,311	1,063,811	1,063,811	1,064	1,064	1,064	1,064
TOTAL OPERATING COST	3,977,558	4,052,053	4,236,751	4,236,751	4,236	4,236	4,236	4,236
			*******			****	========	2222222
BY MEANS OF FINANCING				!				
	43.00*	40.00*	40.00*	40.00*	40.0*	40.0*	40.0*	40.0*
GENERAL FUND	2,156,437	1,971,895	2,037,450	2,037,450	2,037	2,037	2,037	2,037
	25.00*	25.00*	25,00*	25.00*	25.0*	25.0*	25.0*	25.0*
OTHER FED. FUNDS	1,821,121	2,080,158	2,149,301	2,149,301	2,149	2,149	2,149	2,149
	*	*	*	*	*	*	*	*
REVOLVING FUND			50,000	50,000	50	50	50	50
TOTAL POSITIONS	68.00*	65.00*	65.00*	65.00*	65.00*	65.00*	65,00*	65.00*
TOTAL PROGRAM COST	3,977,558	4.052.053	4,236,751	4,236,751	4,236	4,236	4,236	4,236
TOTAL TROUBLE COST	3,777,990	-, UJE, UJG				=======	*******	*******

PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

LBR-143

PROGRAM STRUCTURE NO: 0202

PROGRAM TITLE:

OCCUPATIONAL SAFETY & HEALTH

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS							And that and and one one one also	
1 ACCIDENT, INJURY/ILLNESS RATE PER 100 EMPLOYEES 2 WORK DAYS LOST PER 100 EMPLOYEES 3 WORK-RELATED FATALITIES PER 100,000 EMPLOYEES 4 AVERAGE WORKERS COMP COSTS	5.8 3.4 20 6161	6 3.5 20 6200	6 3.5 20 6200	6 3.5 20 6200	6 3.5 20 6200	6 3.5 20 6200	6 3.5 20 6200	6 3.5 20 6200
PROGRAM TARGET GROUPS								
1 COVERED CIVILIAN WORK FORCE EXCPT FEDERAL/ETC 2 COVERED EMPLOYERS EXCPT FEDERAL AND MARITIME 3 NO. OF ELEVATORS/ETC. IN STATE 4 NO. OF BOILERS/ETC. IN STATE	526250 33977 6319 14994	527000 34000 6400 14994	530000 34000 6500 15100	530000 34000 6600 15200	530000 34000 6700 15300	530000 34000 6800 15400	530000 34000 6900 15500	530000 34000 7000 15600
PROGRAM ACTIVITIES								
1 # OF SAFETY/HEALTH COMPLIANCE INSPECTIONS 2 # SAFETY/HEALTH COMPLIANCE ASSISTANCE INTERVNTNS 3 # ESTABMTS WHERE SAFETY/HTH PROG EVAL/IMPROVED 4 # OF SAFETY/HEALTH HAZARD CORRECTED 5 # COMPLIANTS SATISFIED WITH TIMELY RESPONSES 6 # FATALITY/CATASTROPHE INVESTGTNS FOR SAFETY/HTH 7 #DISCRIMINATION INVESTIGATIONS FOR SAFETY/HTH 8 # TRAINING HOURS 9 # ELEVATOR/ETC INSPECTIONS 10 # BOILER/PRESSURE VESSEL INSPECTIONS PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS): TAXES	753 214 898 1405 81 5 7 493 4187 4719	900 240 900 1500 100 8 15 500 2500 4719	1000 240 900 2000 100 10 15 500 4200 4800	1000 240 900 2000 100 15 500 4200 4800	1000 240 900 2000 100 10 15 500 4200 4800	1000 240 900 2000 100 15 500 4200 4800	1000 240 900 2000 100 15 500 4200 4800	1000 240 900 2000 100 15 500 4200 4800
LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS	859 446	860 500	860 500	860 500	860 500	860 500	860 500	860 500
TOTAL PROGRAM REVENUES	3,305	3,360	3,360	3,360	3,360	3,360	3,360	3,360
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS	OF DOLLARS):							
GENERAL FUND SPECIAL FUNDS	1,305 2,000	1,360 2,000	1,360 2,000	1,360 2,000	1,360 2,000	1,360 2,000	1,360 2,000	1,360 2,000
TOTAL PROGRAM REVENUES	3,305	3,360	3,360	3,360	3,360	3,360	3,360	3,360

A. Statement of Program Objective

To assure every employee safe and healthful working conditions; and to assure the safe operation and use of boilers, pressure systems, amusement rides, and elevators, and kindred equipment.

B. <u>Description and Request and Compliance with Section 37-68(1)(A)(B)</u>

- 1. Restore three (3) permanent positions for the Occupational Safety and Health Division authorized by Act 154/2004.
- Restoration of the 1% efficiency savings by filling the Elevator Inspector
 position by July 1, 2005 resulting in no payroll savings was denied by
 Budget and Finance resulting in a reduction of \$22,545.
- Chapter 396-20, HRS, established the Hoisting Machine Operators' Certification (HMOC) revolving fund to deposit all fees, penalties, fines and interest collected.

C. <u>Description of Activities Performed</u>

The goal of voluntary compliance with Hawaii's Occupational Safety and Health Law by all employers is supported by consultation and training, education, and information programs reinforced by compliance inspections and enforcement through citation and penalties. Investigations are conducted in response to employee complaints regarding workplace hazards. Investigations of fatalities and catastrophes are conducted to determine root causes of accidents in order to prevent recurrence. Consultation and training are provided to employers and employees to encourage and promote voluntary compliance. Occupational safety and health rules and standard are kept current.

Certificates of Fitness are issued for blasters and pyrotechnics/special effects specialists.

Hoisting Machine Operators' Advisory Board reviews the department's activities with regard to hoisting machines and issues certificated to crane operators. Boilers, pressure vessels, elevators, amusement rides, and other automatic transport systems are inspected for safety of equipment and operation in accordance with nationally recognized standards adopted by the program as protection for the using public.

D. Statement of Key Policies Pursued

Objective D of the Employment Functional Plan is to "Improve the quality of life for workers and families". There is nothing more important to quality of life than to maintain life and prevent injury and illness to the public and workers.

E. <u>Identification of Important Program Relationships</u>

In the area of occupational safety and health, the department has been afforded 18(e) status by the U.S. DOL, Occupational Safety and Health Administration (OSHA). This means that the State is able to administer its own occupational safety and health program provided that it meets the minimum requirements set forth by OSHA. In exchange, OSHA provides up to 50% of the funding for the program.

The minimum requirements are to be "as effective as" OSHA, therefore regular evaluations are conducted of the program by OSHA to ensure that public funds are used effectively and efficiently.

F. <u>Description of Major External Trends Affecting the Program</u>

- Public and taxpayer dissatisfaction with government waste and inefficiency.
- 2. Small Business concerns about government over-regulation, business viability, creation of new jobs, and workers' compensation costs.
- 3. Shortage of qualified applicants for professional positions, and pay differential with private sector affecting ability to retain beyond training period. Significant state monies are expended in training without any direct return to investment.

Political Trends

- 1. Public's desire to participate in government such as decision making, operations, and access to information (participatory government).
- 2. Change in government's role from "regulator" to "facilitator".

G. <u>Discussion of Cost, Effectiveness, and Program Size Data</u>

None. Issue is one of life and death, and the most efficient way to meet the mandates of preventing loss of life and property from misuse of explosives and hoisting machines is through certification which assures proper training and appropriate sanctions for misuse as opposed to continuous inspection by government.

H. <u>Discussion of Program Revenue</u>

- 1. Occupational Safety and Health Penalties (FY 2006 \$500,000, FY 2007 \$500,000)
- 2. Boiler and Elevator Permits and Fees (FY 2006 \$850,000, FY 2007 \$850,000)
- 3. Explosives Certification Fees (FY 2006 \$10,000, FY 2007 \$10,000)
- 4. Hoisting Machine Operators Certification Fees (FY 2006 \$50,000, FY 2007 \$50,000)

I. Summary of Analysis Performed

None

J. Further Considerations

1. Occupational Safety and Health

Over the past two years, the strategy for assuring safe and healthful workplaces has changed from the near exclusive use of government inspections and consultations and training to a wide arsenal of a combination of deterrence and incentives programs. Partnerships with industry, unions, associations and insurance companies leverage scarce resources for all towards the common goal. Limited enforcement resources are directed to the most hazardous industries, and a "common sense" approach to enforcement fosters voluntary compliance through understanding and promotion of mutually beneficial objectives. Retention of qualified professional staff has seriously eroded any long-term planning and the ability to meet program objectives.

2. <u>Boiler and Elevator Safety</u>

The implementation of a priority planning process has underscored the need for data to effectively target resources and to determine the effectiveness of accident intervention measures. Unfortunately, the 2000 Legislature mandated inspection frequencies greater than necessary and in the case of power boilers, at an unsafe frequency. Legislature will be introduced to restore the department's ability to use resources to ensure public safety based on measurable data. Problems with recruitment and retention of qualified inspection staff has required additional legislation to enable efficient use of dwindling staff resources in the area of plan reviews and privatizing the routine inspections.

REPORT P61-A

PROGRAM ID:

LBR152

PROGRAM STRUCTURE NO. 020301

PROGRAM TITLE:

WAGE STANDARDS & FAIR EMPLOYMENT PRACTIC

		IN DOLLARS				THOUSANDS				
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11		
OPERATING COST	27.35*	24.50*	24.50*	24.50*	24.5*	24.5*	24.5*	24.5*		
PERSONAL SERVICES	1,219,706	1,137,279	1,188,493	1,188,493	1,188	1,188	1,188	1,188		
OTHER CURRENT EXPENSES	32,351	37,895	37,895	37,895	38	38	38	38		
TOTAL OPERATING COST	1,252,057	1,175,174	1,226,388	1,226,388	1,226	1,226	1,226	1,226		
BY MEANS OF FINANCING										
	27.35*	24.50*	24.50*	24.50*	24.5*	24.5*	24.5*	24.5*		
GENERAL FUND	1,198,926	1,122,043	1,173,257	1,173,257	1,173	1,173	1,173	1,173		
	*	*	*	*	*	*	*	*		
INTERDEPT. TRANSFER	53,131	53,131	53,131	53,131	53	53	53	53		
TOTAL POSITIONS	27.35*	24.50*	24.50*	24.50*	24.50*	24.50*	24.50*	24.50*		
TOTAL PROGRAM COST	1,252,057	1,175,174	1,226,388	1,226,388	1,226	1,226	1,226	1,226		
	==========		==========	==========		========	=======	=======		

REPORT P62

PROGRAM ID:

LBR-152

PROGRAM STRUCTURE NO: 020301

PROGRAM TITLE:

WAGE STANDARDS & FAIR EMPLOYMENT PRACTIC

		FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASU	RES OF EFFECTIVENESS								***************************************
1	COMPLNT RATE (PER 100,000 LABOR FORCE-WAGES)	102	117	117	117	117	117	117	117
2	COMPLNT RATE (PER100,000 LABOR FORCE-EMPL PRAC)	16	18	18	18	18	18	18	18
3	AVG TIMES BTWN FILNG COMPLNT&FINDNGS(WAGES)	50	60	60	60	60	60	60	60
4	AVG TIME BTWN COMPLNT HEARNGS& FINDNGS(EMPL PRAC)	295	120	120	120	120	120	120	120
5	# MONETARY VIOLATIONS PER 100 EMPLOYERS INVESTGTD	58	50	50	50	50	50	50	50
PROGE 1 2 3 4	AM TARGET GROUPS TOTAL NO. OF EMPLOYERS TOTAL NO. OF LABOR FORCE(THOUSANDS) TOTAL NO. OF COMPLAINTS(MAGES) TOTAL NO. OF COMPLAINTS (EMPL PRAC)	33400 544 677 86	33800 554 800 100						
PROGE	NAM ACTIVITIES								
1	INVESTIGATIONS COMPLETED	679	680	680	680	680	680	680	680
2	CERTIFICATES ISSUED	10998	11200	11200	11200	11200	11200	11200	11200
3	COMPLAINT HEARINGS - EMPLOYMENT PRACTICES	101	111	111	111	111	111	111	111
4	ENROLLEES AT EDUCATIONAL WORKSHOPS	306	425	425	425	425	425	425	425

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER

CHARGES FOR CURRENT SERVICES FINES. FORFEITS AND PENALTIES NON-REVENUE RECEIPTS

TOTAL PROGRAM REVENUES

A. Statement of Program Objective

To assure workers of their lawful rights and benefits related to wages and to safeguard them against unlawful employment practices.

B. Description of Request and Compliance with Section 37-68(1)(A)(B), HRS

We anticipate a shortfall of \$19,736 in personal services costs due to a 1% budget reduction, which was based on vacant positions that will be filled before the next biennium.

C. <u>Description of Activities Performed</u>

Major activities include: (1) investigation and hearing of complaints relating to minimum wage, overtime, unpaid wages, child labor, prevailing wages and hours on government construction projects, work injury termination, family leave, and lie detector tests; (2) issuing certificates for child labor, timely payment of wages, and special minimum rates; (3) random compliance checks; and (4) educational workshops to promote voluntary compliance.

D. Statement of Key Policies Pursued

The objectives and policies of §§226-6(a)(1) and 226-6(b)(11), HRS, will be achieved through the major activities of the program in order to promote and maintain quality of work life standards.

E. Identification of Important Program Relationships

Coordination with the United States Department of Labor (USDOL) and the Hawaii School to Work Opportunities program under the Department of Education (DOE) is important to the certification and monitoring of working minors by the program under the Hawaii Child Labor Law

Coordination with State and county contracting agencies is essential to effective enforcement of Chapter 104, HRS, Wages and Hours of Employees on Public Works Law. Memoranda of agreement have been signed with the Department of Transportation and the Department of Accounting and General Services, which are the major state contracting agencies.

F. Description of Major External Trends Affecting the Program

Nationally and locally, there has been more emphasis on enforcement of child labor laws to monitor prohibited occupations and working hours that are deemed hazardous to working minors. The objective of school to work programs is to develop more work-based learning opportunities with private sector employers for students, which will result in increased need for monitoring and certification services to minors, parents, and school personnel. The program is evaluating the need for legislative proposals to amend the State child labor law to reflect trends in school and work hours and in hazardous occupations.

Changes in federal overtime rules, Davis-Bacon policies, the federal Family and Medical Leave Act, Employee Retirement and Security Act (ERISA) preemption issues, and increased filings for bankruptcy by employers are other external trends which affect the program.

Concern about adequate enforcement of laws protecting employees' rights and benefits, particularly relating to prevailing wages and hours on public works construction projects, continues to be a priority of the program. In addition to accommodating requests for information and consultation services, the program has promoted voluntary compliance through education and by instructing employers to conduct self-audits of payrolls before violations are found.

G. Discussion of Cost, Effectiveness, and Program Size Data

Program effectiveness is measured by the time it takes to notify complainants of investigation findings and of decisions rendered after hearing. However, public satisfaction derived from the collection of back wages for workers as well as savings to employers when costly violations are prevented through compliance checks and educational activities cannot be quantified to reflect total program effectiveness. Program size is reflected in the target groups and number of investigations and hearings conducted, certificates issued, and attendance at educational workshops. Projections on labor force and employers are provided by the department's Research and Statistics Office.

H. Discussion of Program Revenue

Projected collections for penalties on violations of Chapter 104, HRS, are approximately \$30,000 per year for the fiscal biennium.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

REPORT P61-A

PROGRAM ID:

LBR153

PROGRAM STRUCTURE NO. 020302

PROGRAM TITLE:

CIVIL RIGHTS COMMISSION

•							IN THOUSANDS				
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11			
OPERATING COST	25.50*	25.50*	27.00*	27.00*	27.0*	27.0*	27.0*	27.0*			
PERSONAL SERVICES OTHER CURRENT EXPENSES	1,457,739	1,395,239	1,551,991	1,551,991	1,552	1,552	1,552	1,552			
OTHER CORRENT EXPENSES	127,591	143,969	143,969	143,969	144	144	144	144			
TOTAL OPERATING COST	1,585,330	1,539,208	1,695,960	1,695,960	1,696	1.696	1,696	1,696			
					========	======	=======				
BY MEANS OF FINANCING				!							
	21.50*	21.50*	21.50*	21.50*	21.5*	21.5*	21.5*	21.5*			
GENERAL FUND	1,117,684	1,080,220	1,147,692	1,147,692	1,148	1,148	1,148	1,148			
	4.00*	4.00*	5.50*	5.50*	5. <i>5</i> *	5.5*	5.5*	5. <i>5</i> *			
OTHER FED. FUNDS	467,646	458,988	548,268	548,268	548	548	548	548			
TOTAL POSITIONS	25.50*	25.50*	27.00*	27.00*	27.00*	27.00*	27.00*	27.00*			
TOTAL PROGRAM COST	1,585,330	1,539,208	1,695,960	1,695,960	1,696	1,696	1,696	1,696			
					========		=======	=======			

PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

LBR-153

PROGRAM STRUCTURE NO: 020302

PROGRAM TITLE:

CIVIL RIGHTS COMMISSION

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS							~	
1 % EMPLOY DISCRIM INVESTIG COMPLETED W/IN 1 YR 2 % FAIR HSG DISCRIM INVESTIG COMPLETED W/IN 200 DAY	67 42	70 70	75 75	75 75	75 75	75 75	75 75	75 75
3 % PUBLIC ACCOM DISCRIM INVESTIG COMPLETED H/IN 1YR 4 % STATE SVC DISCRIM INVESTIG COMPLETED H/IN 1 YR	64 0	75 75						
PROGRAM TARGET GROUPS								
1 NO EMPLOYMENT DISCRIM COMPLAINTS FILED ANNUALLY 2 NO FAIR HOUSING DISCRIM COMPLAINTS FILED ANNUALLY 3 NO PUBLIC ACCOMM DISCRIM COMPLAINTS FILED ANNUALLY 4 NO STATE SVCS DISCRIM COMPLAINTS FILED ANNUALLY	419 47 25 1	400 50 40 5						
PROGRAM ACTIVITIES								
1 #INVESTIG/CLOSING EMPLOY DISCRIM CASES HRS 386-3 2 #INVESTIG/CLOSING FAIR HSG DISCRIM CASES HRS 386-3 3 #INVESTIG/CLOSING ACCOMM DISCRIM CASES HRS 386-3 4 #INVESTIG/CLOSING STATE SVC DISCRIM CASES HRS386-3	365 40 37 0	400 50 40 5						
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS): TAXES LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS	342	342	342	342	342	342	342	342
TOTAL PROGRAM REVENUES	342	342	342	342	342	342	342	342
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF	F DOLLARS):							
SPECIAL FUNDS	342	342	342	342	342	342	342	342
TOTAL PROGRAM REVENUES	342	342	342	342	342	342	342	342

A. Statement of Program Objective

The State Constitution that no person shall be discriminated against in the exercise of their civil rights. The HCRC enforces state law prohibiting discriminatory practices in employment, housing, public accommodations and access to services receiving state financial assistance pursuant to HRS Ch.368, 489, 515 and Part 1 of 378.

B. Description of Request and Compliance with Section 37-68(1)(A) & (B)

The increase in Federal Funded Staff is required to process complaints dual filed under state law and federal law with the U.S. Equal Employment Opportunity Commission (EEOC) and U.S. Department of Housing and Urban Development (HUD). This increase restores the federal funded staff to previous levels, mistakenly reduced during the 2004 budget process.

As described in A. and C., this program is an appropriate function of state government, and involves law enforcement functions that cannot be performed by the private sector, regardless of cost analysis.

C. Description of Activities Performed

The major powers and functions of the HCRC:

- To receive, investigate and conciliate complaints alleging any unlawful discriminatory practice under Ch. 489 and 515 and Part 1 of Ch. 378, HRS.
- (2) To hold hearings in accordance with Ch. 91, HRS, and make inquiries, and for the purpose of these hearings and inquiries, administer oaths and affirmations, issue subpoenas, examine witnesses under oath and require answers to interrogatories.
- (3) To order appropriate legal and equitable relief or affirmative action when a violation is found.
- (4) To commence action in circuit court to seek appropriate relief including the enforcement of any HCRC order.
- (5) To issue publications and results of investigations and research that will promote goodwill and minimize or eliminate discrimination in employment, housing, and public accommodations and state funded services.

D. Statement of Key Policies Pursued

Ch. 368, HRS, and HAR Ch. 12-46, provide statutory and regulatory authority for the HCRC's acceptance, investigation, and adjudication of complaints relating to alleged discriminatory practices in employment, housing, public accommodations and access to services receiving State financial assistance. Ch. 368, HRS, also provides that any final order of the HCRC may be appealed before the Circuit Court and such order will be defended by the HCRC. In addition, the HCRC is required by Ch. 368, HRS, to conduct compliance reviews not later than one year from the date of a conciliation agreement, or after the date of a final order to cease an unlawful practice and to implement appropriate affirmative relief.

Other policy guidelines are found in the statutory provisions of Ch. 489 and 515 and part 1 of Ch. 378, HRS.

E. Identification of Important Program Relationships

To ensure fairness, and to avoid any appearance of impropriety, the HCRC is required under its administrative rules to have a clear division of its prosecutorial and adjudicatory functions and between the HCRC staff who carry out these functions. In addition, the HCRC investigators and attorneys involved in the prosecution of a complaint are prohibited from having any discussions or advising the Commissioners on the complaint outside of the contested case hearing process.

The HCRC is also bound by Ch. 368, HRS to resolve complaints through conciliation. The HCRC is further charged with conducting public education activities to alert and inform the public at large of their rights and responsibilities under the State's discrimination laws. Finally, the HCRC has work share contracts with the federal EEOC and HUD to enforce federal employment and fair housing laws in concert with substantially equivalent state laws. Complaints are dual-filed with the HCRC and the appropriate federal agency, but only one investigation is conducted

F. Description of Major External Trends Affecting the Program

The troubled state economy and its effect on the State budget affected the HCRC. During this extended period of economic downturn and stagnation, there were larger numbers of terminations, reductions in force, and reorganizations. Under those conditions, workers felt threatened and insecure, and in a tough job market workers may have been more vulnerable to discrimination. As a result of this external trend, the HCRC received an increased number of complaint filings each month. The reduction in General Fund funding for the HCRC caused greater reliance on federal funding through work share agreements with the EEOC and the HUD, raising issues of over-reliance on federal funding. The HCRC has responded by implementing internal policies and program initiatives including voluntary early stage mediation, priority charge processing, specialization in investigation, and increased preventative public education.

HUD and EEOC have implemented contract provisions requiring state and local enforcement agencies to reduce aged case inventory. These federal initiatives are consistent with HCRC efforts to reduce the length of time of investigation without sacrificing effective law enforcement.

In <u>SCI Management L.P. v. Sims</u>, 101 Haw. 438 (2003), the Hawai'i Supreme Court held that respondents have the right to a jury trial if the HCRC awards legal remedies in the administrative process. The HCRC administrative hearing process remains unchanged, but if a case is appealed to circuit court, the respondent has the right to a jury trial if the HCRC awarded legal remedies.

G. Discussion of Cost, Effectiveness, and Program Size Data

The number of complaints filed, investigations conducted, cause determinations issued, and final Commission orders upheld in the Circuit Courts reflect the need for and cost effectiveness of the program. The program can also be considered highly cost effective in that it provides a mechanism for a uniform procedure for the enforcement of State discrimination laws by one agency, rather than several as was the case before 1991. Program size data is based on statistics generated by the DLIR Research and Statistics Office and the State of Hawaii Data Book as related to size of the labor market, employees, de facto population and complaints filed and investigated under each of the laws.

The HCRC enforcement and administrative process is more cost effective than litigation in the Circuit Court. The courts require filing of the complaint with the HCRC to satisfy exhaustion of administrative remedies. The primary reason for the requirement of exhaustion of administrative remedies is to prevent overburdening the courts with non-jurisdictional and non-meritorious cases, as well as those, which can be closed or settled in the administrative process. The great majority of complaints filed with the HCRC are resolved, reach disposition, and are closed without going to court.

During FY 2004, the HCRC received nearly 5000 telephone and walk-in inquires, leading to 782 intake interviews. An average of 52 complaints were accepted per month; of these 88.4% were employment discrimination complaints. The HCRC closed cases at various stages of the administrative process:

18.78% of cases were closed on due to complainant electing court action or other administrative closure.

15.38% of cases were closed on resolution by parties, predetermination settlement, or conciliation or settlement after a cause determination. In FY 2004: monetary relief obtained through settlements totaled \$489,585. In 14 settlements obtained in cases with a finding of reasonable cause, monetary settlements obtained through conciliation totaled \$304,750. In 52 cases settled prior to an investigative finding, monetary relief totaled \$184,835. Both pre-determination settlements and conciliation agreements included terms providing for affirmative relief to prevent future unlawful discrimination. 65.84 % of cases were closed on no cause determination after investigation.

Case closure data does not reflect the number of investigations completed that resulted in cause (reasonable cause to believe that unlawful discrimination has occurred) recommendations and determinations, because cases are not closed upon a cause determination, but are conciliated and litigated. During FY 2002, HCRC investigations resulted in 22 cause recommendations.

The process serves two important purposes: 1) the HCRC administrative process funnels out meritorious cases by resolution through settlement or conciliation, and non-meritorious cases by administrative determination of no cause after investigation; and 2) HCRC enforcement provides investigation of complaints and access to justice for those who otherwise would have no recourse to the legal system.

As described above, the HCRC provides the only avenue to effective investigation of complaints of unlawful discrimination for most complainants. If the HCRC capacity for effective law enforcement is substantially diminished or eliminated, a majority of complainants with employment complaints may never pursue their complaints. It would be difficult if no impossible for a prose complainant to investigate and pursue a legal remedy, given the imbalance of power and control of most material evidence by respondents. Without effective enforcement, our state anti-discrimination laws would be rendered meaningless.

Only a small number of cases are litigated to hearing and final Commission decision, but these cases are of particular importance as the HCRC creates a body of administrative law precedent. Only the HCRC and the courts can create legal precedents. Such precedents are the basis for some of our basic anti-discrimination principles; including the doctrine that sexual harassment is unlawful.

H. Discussion of Program Revenues

Although the objective of the program is not to raise revenues. Commission Final Orders can and have resulted in the levying of state penalties authorized under HRS 489, which go into the General Fund.

I. Summary of Analysis Performed

None

J. Further Considerations

None

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID:

LBR161

PROGRAM STRUCTURE NO. 020303

PROGRAM TITLE:

PUBLIC AND PRIVATE EMPLOYMENT

PROCESS EVERTICAL								
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES	2.00* 414,702 44,836	1.00* 379,598 44,836	1.00* 376,880 44,836	1.00* 376,880 44,836	1.0* 377 45	1.0* 377 45	1.0* 377 45	1.0* 377 45
TOTAL OPERATING COST	459,538 =======	424,434	421,716	421,716	422 ======	422	422	422
BY MEANS OF FINANCING		·						
GENERAL FUND	2.00* 459,538	1.00* 424,434	1.00* 421,716	1.00* 421,716	1.0* 422	1.0* 422	1.0* 422	1.0* 422
TOTAL POSITIONS TOTAL PROGRAM COST	2.00* 459,538 =======	1.00* 424,434	1.00* 421,716	1.00* 421,716	1.00* 422	1.00* 422	1.00* 422	1.00* 422

REPORT P62

PROGRAM ID:

LBR-161

PROGRAM STRUCTURE NO: 020303

PROGRAM TITLE:

PUBLIC AND PRIVATE EMPLOYMENT

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS	**** *** *** *** *** *** *** ***							
1 NUMBER OF CASES RESOLVED	59	60	60	60	60	60	60	60
2 NO. DECSNS RENDERED ON TIMELY BASIS (W/IN 30 DAYS)	41	25	25	25	25	25	25	25
3 NO. DECISIONS UPHELD ON APPEAL	4	5	5	5	5	5	5	5
PROGRAM TARGET GROUPS								
1 PUBLIC EMPLOYERS	9	9	9	9	9	9	9	9
2 PUBLIC EMPLOYEE ORGANIZATIONS	6	6	6	6	6	6	6	6
3 PUBLIC EMPLOYEES (IN THOUSANDS)	5 8	58	58	58	58	58	58	58
4 PUB EMPLOYERS COVERED BY HI LABOR RELATIONS ACT	21939	21939	21939	21939	21939	21939	21939	21939
5 PRIV EMPLOYEE ORGS COVERED BY HI LABOR RELATNS ACT	50	50	50	50	50	50	50	50
6 PRIV EMPLOYEES (000S) COVERED BY LABOR RELTNS ACT	343	343	343	343	343	343	343	343
PROGRAM ACTIVITIES								
1 PROHIBITED PRACTICE COMPLAINTS	40	35	30	30	30	30	30	30
2 DECLARATORY RULINGS REQUESTED.	2	2	4	4	4	4	4	4
3 PETITIONS FOR CLARIFICATION OR AMENDMENT OF UNIT	0	2	5	5	5	5	5	5
4 REPRESENTATION PROCEEDINGS AND ELECTIONS	0	2	3	3	3	3	á	ล์
5 DECERTIFICATION PETITIONS	1	1	ō	1	ī	ī	1	1
6 STRIKE DETERMINATION	0	Ö	Ö	ō	ō	ō	ō	0
7 CIRCUIT/SUPREME COURT APPEALS	20	8	8	8	8	8	8	8
8 REFUND OF UNION DUES TO NONMEMBER EMPLOYEES	1	1	1	1	1	1	1	1
9 IMPASSE ASST THRU MEDIATN, FACT FINDING ARBITRATN	0	12	0	13	0	13	ō	13

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

TAXES

LICENSES, PERMITS AND FEES

REVENUES FROM THE USE OF MONEY AND PROPERTY

REVENUE FROM OTHER AGENCIES: FEDERAL

ALL OTHER

CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES

NON-REVENUE RECEIPTS

TOTAL PROGRAM REVENUES

A. Statement of Program Objective

To administer Chapters 89 and 377, HRS, in a neutral quasi-judicial capacity to promote stability and fair dealing, and enforce the collective bargaining rights in the public sector and for private sector employers and employees not subject to the National Labor Relations Act. The Board also hears and decides contests arising under Chapter 396, HRS, relating to Occupational Safety and Health matters.

B. <u>Description of Request and Compliance with Section 37-68(1)(A)(B)</u>

Budget reduction of \$9,387.

C. <u>Description of Activities Performed</u>

The Board's major activities include resolving unfair or prohibited practice complaints, conducting representation proceedings and elections (certification, decertcertification and amendment or clarification of appropriate bargaining units), resolving disputes arising from application of religious exemptions, reviewing the propriety of payroll deduction complaints, providing impasse assistance as necessary (mediation and arbitration), conducting investigations, appearing in court to defend its decisions and orders on appeal or seek enforcement of its subpoenas or orders, and issuing declaratory rulings on the applicability of statutes, rules, or orders of the Board. With respect to occupational safety and health matters, the Board conducts hearings on contests of citations issued and discrimination complaints filed under Chapter 396.

D. Statement of Key Policies Pursued

The Board is concerned with the just and expeditious resolution of the disputes brought before it. The Board encourages the parties to voluntarily settle their disputes wherever lawful and appropriate. In cases involving alleged breaches of contract, the Board, whenever appropriate, directs the parties to their contractual grievance procedure and retains jurisdiction over the cases for limited purposes.

E. <u>Identification of Important Program Relationships</u>
None.

F. <u>Description of Major External Trends Affecting the Program</u>

The Board is responsible to provide impasse assistance to the parties in the public sector. As all public sector collective bargaining agreements expire on June 30, 2005, except for Unit 07, faculty, under the current law, all other bargaining units will be at impasse by February 1, 2005. If the parties cannot reach agreement, Units 01, blue collar and 05 teachers can legally strike.

G. <u>Discussion of Cost, Effectiveness, and Program Size</u> <u>Data</u>

The Board has continued to address efficiency and productivity. The Board has continued to resolve its cases with a slight backlog despite decreased funding and the increase in its caseload.

02 03 03

LBR 161: PUBLIC AND PRIVATE EMPLOYMENT

H. Discussion of Program Revenue

None

I. Summary of Analysis Performed

None

J. Further Considerations

None

REPORT P61-A

PROGRAM ID:

LBR171

PROGRAM STRUCTURE NO. 020401

PROGRAM TITLE:

UNEMPLOYMENT COMPENSATION

		IN DOLL	.ARS	-		IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES	231.90* 12,814,289 168,459,391	218.30* 12,246,422 168,598,498	218.30* 12,839,354 168,598,498	218.30* 12,839,354 168,598,498	218.3* 12,839 168,599	218.3* 12,839 168,599	218.3* 12,839 168,599	218.3* 12,839 168,599
TOTAL OPERATING COST	181,273,680	180,844,920	181,437,852	181,437,852	181,438	181,438	181,438	181,438
BY MEANS OF FINANCING				}				
SPECIAL FUND	* 166,610,592 231.90*	* 166,610,592 218.30*	* 166,626,650 218.30*	166,626,650	* 166,627	* 166,627	166,627	166,627
OTHER FED. FUNDS	14,663,088	14,234,328	14,811,202	218.30* 14,811,202	218.3* 14,811	218.3* 14,811	218.3* 14,811	218.3* 14,811
TOTAL POSITIONS	231.90*	218.30*	218.30*	218.30*	218.30*	218.30*	218.30*	218.30*
TOTAL PROGRAM COST	181,273,680	180,844,920	181,437,852	181,437,852	181,438	181,438	181,438 ======	181,438

PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

LBR-171

PROGRAM STRUCTURE NO: 020401

PROGRAM TITLE:

UNEMPLOYMENT COMPENSATION

		FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS									
1 NO. INSURED EMPLOYEES AS % OF TTL L	BR FORCE	94	92	92	92	92	92	92	92
2 NO. PROMPT PAYMTS MADE AS % TOTAL N		92	90	90	90	90	90	90	90
3 NO. ACCEPTABLE NONMON. DET. AS % TO		85	80	80	80	80	80	80	80
4 NO. PROMPT APPEALS DECISIONS AS %		57	60	60	60	60	60	60	60
5 NO. ACCEPTABLE APPEALS DEC. AS % TI		96	95	95	95	95	95	95	95
6 NO. PROMPT STATUS DET. AS % TOTAL S		88	85	85	85	85	85	85	85
7 NO. ACCEPTABLE STATUS DET. AS % TTI									
8 NO. AUDITS PERFORMED AS % TTL EMPLO	DYERS	2	2	2	2	2	2	2	2
9 NO. EMPLOYERS DELING FOR TAXES AS	% TTL EMPLOYERS	6	5	5	5	5	5	5	5
10 # EMPLOYERS DELING FOR REPT AS % T	TL EMPLOYERS	11	9	9	9	9	9	9	9
PROGRAM TARGET GROUPS									
1 NO OF INSURED UNEMPLOYED INDIVIDUAL	LS (WKLY AVE)	9906	8700	8800	8800	8800	8900	8900	9000
2 NO OF SUBJECT EMPLOYERS		29638	29800	29900	30000	30100	30200	30400	30600
3 NO OF SELF-FINANCED NON-PROFIT ORG	ANIZATIONS	197	200	200	200	200	200	200	200
PROGRAM ACTIVITIES									
1 INITIAL OR NEW CLAIMS (ALL PROGRAM		83704	73500	74200	75000	75300	75600	76100	76400
2 CONTINUED CLAIMS (ALL PROGRAMS) (1		579	474	479	484	486	488	491	493
3 CLAIMS ADJUDICATION (NON-MONETARY	DETERM- ALL PRO)	53001	46500	47000	47500	47700	47900	48200	48400
4 APPEALS		4420	4000	4000	4000	4000	4000	4000	4000
5 STATUS DETERMINATIONS		7751	8000	8100	8100	8100	8200	8200	8300
6 EMPLOYER AUDITS		653	750	750	750	750	750	750	750
7 TAX PAYMENT PROCESSING		116696	118400	118800	119200	119600	120000	120800	121600
8 WAGE RECORDS (1000'S)		2513	2540	2565	2578	2591	2604	2617	2630
9 INSURED UNEMPLOYMENT RATE (%)		1.7	1.5	1.6	1.6	1.6	1.6	1.6	1.6
10 TOTAL UNEMPLOYMENT RATE (%)		4	4	4	4	4	4	4	4
PROGRAM REVENUES BY TYPE (IN THOUSANDS O	F DOLLARS):								
TAXES LICENSES, PERMITS AND FEES		147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000
REVENUES FROM THE USE OF MONEY AND PR	ONDEDTY	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
REVENUE FROM OTHER AGENCIES: FEDERAL		55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
ALL OTHE	R								
CHARGES FOR CURRENT SERVICES									
FINES, FORFEITS AND PENALTIES									
NON-REVENUE RECEIPTS									
TOTAL PROGRAM REVENUES		222,000	222,000	222,000	222,000	222,000	222,000	222,000	222,000
PROGRAM REVENUES BY FUND TO WHICH DEPOS	ITED (IN THOUSANDS OF	DOLLARS):							
SPECIAL FUNDS		222,000	222,000	222,000	222,000	222,000	222,000	222,000	222,000
TOTAL PROGRAM REVENUES		222,000	222,000	222,000	222,000	222,000	222,000	222,000	222,000

LBR 171 - UNEMPLOYMENT COMPENSATION

A. State of Program Objective

To alleviate the economic hardships that result from loss of wage income during periods of involuntary unemployment.

B. Description of Request and Compliance With Section 37-6B(1)(A)(B)

To restore federally funded positions to meet any sudden or sustained increase in workload.

C. Description of Activities Performed

To administer the statewide Unemployment Insurance Program (including the payment of allowances under special training programs). The two major functions are:

- a. The collection of contributions from subject employers to finance the payment of benefits.
- b. The payment of benefits to eligible persons who are unemployed.

D. Statement of Key Policies Pursued

Emphasis is directed on the following program objectives:

- a. Make prompt benefit payments;
- b. Eliminate deficiencies in the claims adjudication process;
- c. Register subject employers, collect taxes, reduce tax delinquency; and
- d. Strengthen the organization, its managements, and supervision.

E. <u>Identification of Important Program Relationships</u>

1. U.S. Department of Labor, Training Administration

Since the program receives a substantial portion of its administrative funds from Federal grants, the division must comply with the regulations prescribed by the Secretary of Labor and with the policies contained in the Employment Security Manual or set forth in other official DOL publications or agreements.

2. Other State Agencies

Close relationship is maintained with other state agencies that render services for each division: Department of Accounting and General Services (data processing services), the Attorney General's Office (legal services), Department of Accounting and General Services (preparation of benefit checks), and the Department of Taxation (cashiering services).

F. Description of Major External Trends Affecting the Program

The program size is dependent on the economic condition of the state. As unemployment increases, workloads will increase. Program scope is dependent on legislation. If federal changes are enacted, the state will be required to implement similar provisions.

G. Discussion of Cost, Effectiveness, and Program Size Data

1. Unemployment related data is based on projections made by the Department's Research & Statistics Office. The forecasted rate of insured unemployment is expected to average 1.6%.

LBR 171 - UNEMPLOYMENT COMPENSATION

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2. Employer data is based on the number of subject employers projected to increase at a 0.3% annual rate.

H. Discussion of Program Revenue

- 1. Federal grant for administrative costs FY 2004 -- \$13,686,471
- 2. Employer contribution to the Trust Fund for payment of unemployment insurance benefits FY 2004 -- \$142,600,000
- 3. State Employment and Training Assessment FY 2004 -- \$900,000
- 4. Special Unemployment Insurance administrative funds for administrative costs FY 2004 -- \$643,957
- I. Summary of Analysis Performed

None ·

J. Further Considerations

None

REPORT P61-A

PROGRAM ID:

LBR183

PROGRAM STRUCTURE NO. 020402

PROGRAM TITLE:

DISABILITY COMPENSATION

DD000114 D1100110011001		IN DOLLARS-			IN THOUSANDS				
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11	
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES	116.00* 4,990,232 23,554,334	115.00* 5,055,328 23,489,238	115.00* 5,261,662 23,489,238	115.00* 5,261,662 23,489,238	115.0* 5,262 23,489	115.0* 5,262 23,489	115.0* 5,262 23,489	115.0* 5,262 23,489	
TOTAL OPERATING COST	28,544,566	28,544,566 ======	28,750,900	28,750,900	28,751	28,751	28,751	28,751	
BY MEANS OF FINANCING				!					
GENERAL FUND	112.00* 4,868,853 4.00*	111.00* 4,868,853 4.00*	111.00* 5,075,187 4.00*	111.00* 5,075,187	111.0* 5,075	111.0* 5,075	111.0* 5,075	111.0* 5,075	
SPECIAL FUND	23,675,713	23,675,713	23,675,713	4.00* 23,675,713	4.0* 23,676	4.0* 23,676	4.0* 23,676	4.0* 23,676	
TOTAL POSITIONS TOTAL PROGRAM COST	116.00* 28,544,566	115.00* 28,544.566	115.00* 28.750,900	115.00* 28.750.900	115.00* 28.751	115.00* 28,751	115.00* 28.751	115.00* 28,751	
		=========	=========	=========	========	20,791	20,771	20,771	

PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID: LBR-183
PROGRAM STRUCTURE NO: 020402

PROGRAM TITLE:

DISABILITY COMPENSATION

		FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS									
1 % OF SUBJECT EMPLOYERS	IN COMPLIANCE	86	90	90	90	90	90	90	90
2 % OF VOC REHAB PARTCPN	TS RTN TO WORK (WC)	59	60	60	60	60	60	60	60
	Y BASIS/CALCULATE CORRECT-MC	0.009	0.005	0.005	0.005	0.005	0.005	0.005	0.005
4 % COMPLAINT PYMT TIMEL	Y BASIS/CALC CORRECTLY (TDI)	0.004	0.007	0.007	0.007	0.007	0.007	0.007	0.007
ROGRAM TARGET GROUPS									
1 SUBJECT EMPLOYERS		32660	33400	33800	33800	33800	33800	33800	33800
2 COVERED WORKERS-TDI &	PHC	539300	540700	551000	551000	551000	551000	<i>5</i> 51000	551000
3 COVERED WORKERS-WC		542210	543600	553900	553900	553900	553900	553900	553900
4 WORKERS REQUIRING SERV		56760	56760	56760	56760	56760	56760	56760	56760
5 WORKERS COMPENSATION C		331	330	330	330	330	330	330	330
6 TEMPORARY DISABILITY I	NSURANCE CARRIERS	925	925	925	925	925	925	925	925
PROGRAM ACTIVITIES									
1 INVESTIGATIONS(WC,TDI,	PHC)	10910	11000	11000	11000	11000	11000	11000	11000
2 AUDITS(WC,TDI,PHC)		1371	1200	1200	1200	1200	1200	1200	1200
3 PLANS REVIEW (TDI, PHC)		11401	13000	13000	13000	13000	13000	13000	13000
4 EMPLOYER REGISTRATION	(MC,TDI,PHC)	4753	4700	4700	4700	4700	4700	4700	4700
5 TOTAL NEW CLAIMS (WC)		29404	30000	30000	30000	30000	30000	30000	30000
6 CLAIMS CLOSED (NC)		32041	31000	31000	31000	31000	31000	31000	31000
7 HEARINGS (WC)		3001	3000	3000	3000	3000	3000	3000	3000
8 DECISIONS (MC)		10850	11000	11000	11000	11000	11000	11000	11000
9 INSURANCE TRANSACTIONS	(HC)	49572	50000	50000	50000	50000	50000	50000	50000
10 REFERRAL TO REHABILITA	TION TRAINING	544	575	575	575	575	575	575	575
PROGRAM REVENUES BY TYPE (IN	THOUSANDS OF DOLLARS):								
TAXES									
LICENSES, PERMITS AND FEE									
REVENUES FROM THE USE OF REVENUE FROM OTHER AGENCI		857	890	890	890	890	890	890	890
CHARGES FOR CURRENT SERVI		18,097	18,001	18,001	18,001	10 001	10 001	10 001	
FINES, FORFEITS AND PENAL		130	100	100	10,001	18,001 100	18,001	18,001	18,001
NON-REVENUE RECEIPTS		130	100	100	100	100	100	100	100
TOTAL PROGRAM REVI	ENUES	19,084	18,991	18,991	18,991	18,991	18,991	18,991	18,991
PROGRAM REVENUES BY FUND TO	WHICH DEPOSITED (IN THOUSANDS OF	F DOLLARS):						•	,
GENERAL FUND			1	1	1	1	1	1	1
ALL OTHER FUNDS		201	200	200	200	200	200	200	1 200
SPECIAL FUNDS		18,883	18,790	18,790	18,790	18,790	18,790	18,790	18,790
TOTAL PROGRAM REVI	ENUES	19,084	18,991	18,991	18,991	18,991	18,991	18,991	18,991

A. Statement of Program Objectives

To alleviate the economic hardship that results from the loss of wage income due to work or nonwork-related disability and provide vocational rehabilitation opportunities and incentives for industrially injured workers.

B. <u>Description of Request and Compliance with Section 37-68(1)(A)(B)</u>

The DCD request to restore 1% Efficiency Savings was denied by the governor, resulting in the budget ceiling being lowered by \$96,884. This reduction will affect the division's ability to fill its vacant positions. The fallout of this action will be to reduce services to the public and delay workers' compensation benefits to claimants.

C. <u>Description of Activities Performed</u>

Major activities are: (1) investigate non-complying employers; (2) audit employer's financial and payroll records to insure compliance with laws' requirements; (3) review disability plans to determine conformity with laws' requirements; (4) register new subject employers; (5) process new industrial injury cases and reopened cases; (6) process claims for closing including final review of accident costs; (7) conduct investigatory hearings for issuance of administrative decisions on issues; (8) review, approve and issue administrative decisions and settlements: (9) review and approve private vocational rehabilitation (VR) agencies as certified providers of rehabilitation services, and the rehabilitation plans offered by these agencies to rehabilitate industrially injured workers; (10) review health care provider treatment plans to insure that medical care and services are

considered necessary and reasonable; and (11) adjudicate complaints against health care providers.

D. Statement of Kev Policies Pursued

To achieve program objective, the following key policies are observed: (1) pursue effective and well-planned communication procedures to obtain voluntary compliance with Workers' Compensation (WC), Temporary Disability Insurance (TDI), and Prepaid Health Care (PHC) coverage requirements; (2) obtain employers' compliance requiring timely benefit payments to ease disabled employees' financial burden; (3) apply enforcement procedures when employers fail to comply with the law; and (4) facilitate all rehabilitation activities to assist industrially injured workers to return to suitable, gainful employment.

E. Identification of Important Relationships

Other programs or agencies with which the wage replacement programs have some direct relationships are: Department of Accounting and General Services, ICSD; Department of Commerce and Consumer Affairs; Department of Human Services, Vocational Rehabilitation Division; and the Department of Labor and Industrial Relations, Fiscal Office and Wage Standards Division; private vocational rehabilitation agencies and health care provider organizations.

F. <u>Description of Major External Trends Affecting the</u> Programs

The State's economic trend is the primary factor affecting the wage replacement programs. The increasing workforce may increase the number of claims serviced, while the increasing complexity and adversity in WC cases will increase workload requirements. There is continuing pressure from

health care providers to increase the medical fee schedule. Medical costs continue to rise and increasing the medical fee schedule will result in higher workers' compensation insurance premiums for employers. Increasing medical costs is also resulting in rising PHC insurance premium costs. As a result, employer non-compliance with providing health care coverage to eligible employees may increase.

G. <u>Discussion of Costs, Effectiveness, and Program Size</u> Data

The Division's annual budget of \$28,750,900 for FY 2006 and FY 2007 will be needed to meet current levels of service. The breakdown is as follows: for each fiscal year, \$5,261,662 for salary costs and \$23,489,238 for other current expenses. In the other expenses category, \$23,228,086 from special funds are budgeted to pay WC, TDI, and PHC benefits to claimants.

H. <u>Discussion of Program Revenue</u>

Total special Fund Revenues of \$18,990,000 is forecasted for each of FY 2006 and FY 2007. The three primary sources of revenues and their amounts are as follows: \$18,000,000 from WC special fund assessments, \$890,000 from investment earnings, and \$100,000 from other sources.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

REPORT P61-A

PROGRAM ID:

LBR812

PROGRAM STRUCTURE NO. 020504

PROGRAM TITLE:

LABOR & INDUSTRIAL RELATIONS APPEALS BOA

		IN DOLL	ARS			IN THOUS	ANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	12.00*	12.00*	12.00*	12.00*	12.0*	12.0*	12.0*	12.0*
PERSONAL SERVICES	635,273	616,139	641.079	641.079	641	641	641	641
OTHER CURRENT EXPENSES	40,043	59,177	59,177	59,177	59	59	59	59
TOTAL OPERATING COST	675,316	675,316	700,256	700,256	700	700	700	700
BY MEANS OF FINANCING				!				
	12.00*	12.00*	12.00*	12.00*	12.0*	12.0*	12.0*	12.0*
GENERAL FUND	675,316	675,316	700,256	700,256	700	700	700	700
TOTAL POSITIONS	***							
· · · · · · · · · · · · · · · · · · ·	12.00*	12.00*	12.00*	12.00*	12.00*	12.00*	12.00*	12.00*
TOTAL PROGRAM COST	675,316	675,316	700,256	700,256	700	700	700	700
	=======================================					========	=======	

REPORT P62

PROGRAM ID:

LBR-812

PROGRAM STRUCTURE NO: 020504

PROGRAM TITLE:

LABOR & INDUSTRIAL RELATIONS APPEALS BOA

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS							 .	
1 AVE TIME FROM APPEALS FILED TO RESOLUTION (MONTHS) 2 ADM DECISIONS SUSTAINED % APPEALS TO HIGHER BODY	12.5 90	12 90						
PROGRAM TARGET GROUPS								
1 NO OF PERSONS FILING APPEALS	642	600	600	600	600	600	600	600
PROGRAM ACTIVITIES								
1 NO OF PRETRIAL CONFERENCES HELD 2 NO OF TRIALS HELD 3 NO OF MOTIONS HEARD 4 NO OF CONFERENCES HELD PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):	529 60 271 370	600 100 250 500						
TAXES LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER								
CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS	1	1	1	1	1	1	1	1
TOTAL PROGRAM REVENUES	1	1	1	1	1	1	. 1	1
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS O	F DOLLARS):							
GENERAL FUND	1	1	1	1	1	1	1	1
TOTAL PROGRAM REVENUES	1	1	1	1	1	1	1	1

A. Statement of Program Objective

To insure individuals equitable treatment in the prompt, just, and inexpensive determination of appeals from decisions of the Director of Labor and Industrial Relations relating to certain programs, primarily workers' compensation.

B. <u>Description of Request and Compliance with</u> Section 37-68(1)(A)(B)

None

C. <u>Description of Activities Performed</u>

- 1. Conduct pre-hearing conferences.
- Conduct settlement conferences.
- Conduct hearings and issue decision and orders.

D. Statement of Key Policies Pursued

The Workers' Compensation Law, Chapter 386, HRS, as amended, and Hawaii Administrative Rules Chapters 12-47, provide statutory and administrative rules and guidelines for the Labor and Industrial Relations Appeals Board's decisions on workers' compensation cases on appeal.

E. <u>Identification of Important Program</u> <u>Relationships</u>

The Board reviews and decides all decisions of the Director of Labor and Industrial Relations on appeal regarding the above-mentioned laws.

F. <u>Description of Major External Trends</u> <u>Affecting the Program</u>

Major external trends affecting the program include general economic and labor conditions on the local level and population growth. As the labor population increases, so does the number of cases coming before the Board.

G. <u>Discussion of Cost, Effectiveness, and Program Size Data</u>

Efficient scheduling, and generally higher productivity, have enabled the Board to reduce the average turn around time from appeals filed to final disposition of cases. The cost of operating the Board has also been kept at a minimum. The Board continues to make strides in its provision of efficient service to the public by the hard work and dedication of its staff.

- H. <u>Discussion of Program Revenue</u>
 - None
- Summary of Analysis Performed

None

J. Further Considerations

None

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PROGRAM ID:

LBR901

PROGRAM STRUCTURE NO. 020501

PROGRAM TITLE:

DLIR-DATA GATHERING, RESEARCH AND ANALYS

		IN DOLL	.ARS	-		IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES	38.00* 2,461,928 628,094	37.00* 2,501,846 565,364	37.00* 2,649,445 565,364	37.00* 2,649,445 565,364	37.0* 2,650 565	37.0* 2,650 565	37.0* 2,650 565	37.0* 2,650 565
TOTAL OPERATING COST	3,090,022	3,067,210	3,214,809	3,214,809	3,215	3,215	3,215	3,215
BY MEANS OF FINANCING								
•	8.88*	8.88*	8.88*	8.88*	8.9*	8.9*	8.9*	8.9*
GENERAL FUND	691,653	691,653	738,114	738,114	738	738	738	738
	29.12*	28.12*	28.12*	28.12*	28.1*	28.1*	28.1*	28.1*
OTHER FED. FUNDS	2,398,369	2,375,557	2,476,695	2,476,695	2,477	2,477	2,477	2,477
TOTAL POSITIONS	38.00*	37.00*	37.00*	37.00*	37.00*	37.00*	37.00*	37.00*
TOTAL PROGRAM COST	3,090,022	3,067,210	3,214,809	3.214.809	3,215	3,215	3,215	3,215
	*******				=======	=======		=======

PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

LBR-901

PROGRAM STRUCTURE NO: 020501

PROGRAM TITLE:

DLIR-DATA GATHERING, RESEARCH AND ANALYS

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % OF FEDERALLY MANDATED REPORTS THAT ARE TIMELY 2 DEGREE OF SATIS OF TARGET GRP DIV(USERS)(1-100) 3 DEG OF USERS SATIS M/CAREER EXPLOR TOOL (HCIDS) 4 USER MOTIV TO TAKE FURTH CAR-REL ACT(%-HCIDS)	99 94 89 89	99 90 85 80						
PROGRAM TARGET GROUPS								
1 NO. EMPLOYERS/AGENCIES/PUBLIC REC. R&S PROD. 2 NO. LINE DIVISIONS IN DEPARTMENT 3 NO. INDIV USG CAREER KOKUA SYS IN TGT POP (HCIDS)	3000 5 230000	3000 5 250000						
PROGRAM ACTIVITIES								
1 NO. FEDERALLY MANDATED REPTS PRODUCED ANNUALLY 2 NO. REPTS PRODUCED FOR INTERNAL LINE DIV ANNUALLY 3 NO. OF HITS ON HEBSITE 4 NUMBER OF ACTIVE USER SITE AGREEMENTS (HCIDS) 5 #CALLS & LTRS REC FROM PUB SOL INFO ANNU (HCIDS) 6 #REQUEST FOR DATA THRU LETTER, PHONE E-MAIL, FAX PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):	39 32 201803 230 1500 1100	39 32 200000 250 1200 1100	39 49 200000 250 1200 1100	39 49 200000 250 1200 1100	39 49 200000 250 1200 1100	39 49 200000 250 1200 1100	39 49 200000 250 1200 1100	39 49 200000 250 1200 11000
TAXES LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
TOTAL PROGRAM REVENUES	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS O	OF DOLLARS):							
SPECIAL FUNDS	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
TOTAL PROGRAM REVENUES	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600

LBR 901: DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS DATA GATHERING, RESEARCH AND ANALYSIS

A. Statement of Program Objective

To develop, deliver and coordinate research and statistics to meet labor market supply and demand, support program effectiveness and efficiency, and contribute to general economic policymaking.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Restoration of federal positions under Act 154.

C. <u>Description of Activities Performed</u>

The Research and Statistics Office provides applied and basic research and statistics for legislative, administrative and program operations; provides research and statistics on labor market conditions for economic policymaking and employment and training program purposes; and develops, coordinates and delivers career, occupational, and educational information for career planning and job search purposes.

- 1. Conducts unemployment insurance program and legislative research in such areas as benefit eligibility, benefit adequacy and financing.
- 2. Conducts labor market research studies to determine labor market conditions for labor and job search activities.
- 3. Conducts the Bureau of Labor Statistics programs of Current Employment Statistics, Local Area Unemployment Statistics, Quarterly Census of Employment and Wages, Occupational Employment Statistics, and the Mass Layoff Statistics.

- 4. Conducts program and legislative research for the Disability Compensation, Wage Standards, Workforce Development, and Occupational Safety and Health Divisions.
- Supports and assists the administration and operation of the occupational safety and health program by implementing and maintaining the information system, conducting employer surveys, and compiling and analyzing occupational injury and illness data.
- Conducts the Career Kokua (HCIDS) program which provides career and other related types of information to students, counselors, planners, and job seekers.
- Coordinates the development, delivery, and use of occupational information.

D. Statement of Key Policies Pursued

- 1. Advise management on the research and statistical needs of the department in meeting its overall mission.
- 2. Coordinate the preparation, review, verification, validation and transmittal of operational program reports as required by the U.S. Department of Labor.
- 3. Conduct program, legislative, and economic research.
- Recommend and install procedures for a departmental system of statistical reporting.

LBR 901: DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS DATA GATHERING, RESEARCH AND ANALYSIS

- 5. Develop and disseminate program and administrative statistical data.
- Advise other departmental units in applying research techniques in operational planning and program studies.
- Maintain liaison with other research agencies and labor information sources.

E. Identification of Important Program Relationships

Program relationships are maintained with the U.S. Department of Labor who directs the implementation and maintenance of employment and training programs and occupational safety and health programs; other departments of the State of Hawaii with whom programs must be coordinated; County agencies who are involved in labor related activities; State and Local Workforce Investment Boards (WIBs) and Workforce Investment Act (WIA) planning and implementation; private agencies like the Bank of Hawaii, First Hawaiian Bank, the Hawaii Employers Council, and labor unions with whom we maintain contact to exchange labor related information, and the program divisions of the department.

F. Description of Major External Trends Affecting the Program

The data gathering, research and analysis program is affected by local, state, national and international economic trends as we estimate, project and analyze the labor market conditions of the State of Hawaii and its sub-areas relative to the employment and unemployment data we produce.

G. Discussion of Cost, Effectiveness, and Program Size Data

Resources are provided through two major sources—the U.S. Department of Labor and the state general fund. During the past fiscal year, 28.12 positions were financed by the U.S. Department of Labor and 8.88 positions by the state's general fund.

H. Discussion of Cost, Effectiveness, and Program Size Data

None.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

REPORT P61-A

PROGRAM ID:

LBR902

PROGRAM STRUCTURE NO. 020502

PROGRAM TITLE:

GENERAL ADMINISTRATION

		IN DOLL	ARS			IN THOUS	ANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	64.34*	63.94*	63.94*	63.94*	63.9*	63.9*	63.9*	63.9*
PERSONAL SERVICES	3,323,718	3,162,840	3,318,641	3,318,641	3,318	3,318	3,318	3,318
OTHER CURRENT EXPENSES	1,065,714	1,144,717	1,144,717	1,144,717	1,145	1,145	1,145	1,145
TOTAL OPERATING COST	4,389,432	4,307,557	4,463,358	4,463,358	4,463	4,463	4,463	4,463
BY MEANS OF FINANCING				;				
	27.66*	28.46*	28.46*	28.46*	28.4*	28.4*	28.4*	28.4*
GENERAL FUND	1,459,237	1,440,145	1,495,872	1,495,872	1,496	1,496	1,496	1,496
	36.68*	35.48*	35.48*	35.48*	35.5*	35.5*	35.5*	35.5*
OTHER FED. FUNDS	2,930,195	2,867,412	2,967,486	2,967,486	2,967	2,967	2,967	2,967
TOTAL POSITIONS	64.34*	63.94*	63.94*	63.94*	63.90*	63.90*	63.90*	63.90*
TOTAL PROGRAM COST	4,389,432	4,307,557	4,463,358	4,463,358	4,463	4,463	4,463	4,463
	==========				=======			

PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

LBR-902

PROGRAM STRUCTURE NO: 020502

PROGRAM TITLE:

GENERAL ADMINISTRATION

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								**********
1 AVE TIME ELAPSED FOR PROC PAYMNTS FOR GOODS & SVCS	3	3	3	3	3	3	3	3
2 AVE TIME ELAPSED IN PROC PERSONNEL DOC INTERNALLY	4.5	4.5	5	5	5	5	5	5
3 TIME LPSE IN COMPL OF MONTH FIN/EXP RPTS (DAYS)	17	17	17	17	17	17	17	17
4 TIME LPSE IN PROC REQ FOR NEW HRES & IN-SERV MOVE.	3	3	3	3	3	3	3	3
5 TIME LPSE IN PROC REQ FOR POSN CLASSFCTNS REVIEWS	45	45	45	45	15	15	15	15
6 TIME LPSE IN PROC TEMPR ASSIGNMT PAY REQUESTS	4.5	4.5	2	2	5	5	5	5
PROGRAM TARGET GROUPS								
1 EMPLOYEES IN DLIR, FULL-TIME EQUIVALENTS	611	672	700	700	700	700	700	700
PROGRAM ACTIVITIES								
1 NO OF GEN FUND WARRNT YCHRS ISSUED IN FISCAL YEAR	2280	2300	2300	2300	2300	2300	2300	2300
2 NO OF FED FUND SUMMARY WARRNT VCHRS ISSUED IN FY	1532	2000	2000	2000	2000	2000	2000	2000
3 NO OF SF-5'S PROCESSED	2200	2200	2000	1800	2400	2400	2400	2400
4 NO OF PERSONNEL REQUESTS PROCESSED	1100	1100	900	800	1200	1200	1200	1200
5 NUMBER OF SF-1'S PROCESSED	220	220	200	180	240	240	240	240
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315
ALL OTHER	-,>	2,015	2,015	2,515	2,515	2,315	2,319	2,319
CHARGES FOR CURRENT SERVICES	76	60	60	60	60	60	60	60
FINES, FORFEITS AND PENALTIES		•	•	•	•	•	00	60
NON-RÉVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	2,391	2,375	2,375	2,375	2,375	2,375	2,375	2,375
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS O	F DOLLARS):							
SPECIAL FUNDS	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315
GENERAL FUND	76	60	60	60	60	60	60	60
TOTAL PROGRAM REVENUES	2,391	2,375	2,375	2,375	2,375	2,375	2,375	2,375

A. STATEMENT OF PROGRAM OBJECTIVE(S)

To enhance program effectiveness and efficiency by formulating policies, directing operations and personnel and providing other administrative and housekeeping services.

B. <u>DESCRIPTION OF REQUEST AND COMPLIANCE WITH SECTION</u> 37-68 (1) (A) (B)

To restore permanent and temporary federally funded positions for administrative and data processing support authorized by Act 154/2004.

C. <u>DESCRIPTION OF ACTIVITIES PERFORMED</u>

Included in this program are:
Director's Office
Information Office
Administrative Services Office
Program, Organization, Method & Evaluation Office
EDP Systems Office
Equal Opportunity Employment
Personnel Office

Executive direction to the department's divisions and programs are provided by undertaking such activities as short and long-range planning, instituting policy changes, proposing State legislation, develop and/or execute innovative and improved programs, keeping abreast of new solutions to manpower problems, preparing program and budget presentations, maintaining fiscal, accounting, purchasing,

office services functions, and promoting research, and maintaining personnel transactions, advisory services and position classification functions, and provide information services, and assuring equal opportunity employment and promoting affirmative action programs.

D. STATEMENT OF KEY POLICIES PURSUED

To achieve the program objective, the key policies are:

1) attain the goals of the Hawaii State Plan and the State Employment Functional Plan, where we have a direct or indirect involvement; 2) maintaining effective communications with staff, state, federal and private agencies or firms, and labor organizations; 3) maintain and develop meaningful and timely fiscal and management information data; 4) supervise and evaluate the self-appraisal studies of the divisions and offices; 5) develop and coordinate in and out-service training; and 6) monitor and coordinate and provide technical assistance in data processing.

E. <u>IDENTIFICATION OF IMPORTANT PROGRAM RELATIONSHIP</u>

Close working relationships are maintained and coordinated with the U.S. Department of Labor's Employment and Training Administration, Bureau of Labor Statistics, and the Occupational Safety and Health Administration and other federal agencies that provide the funding of our programs. In addition we maintain close relationship with advisory councils and other State and county agencies through the various program involvement and operations.

F. <u>DESCRIPTION OF MAJOR EXTERNAL TRENDS AFFECTING THE</u> PROGRAM

The National, State, and Counties economic trends have a direct impact on the program. Trends of high employment and/or unemployment, shortage or abundances of skilled workers on certain trades, employment opportunities to certain class or group, high incidence of work injuries, and complaints of unfair labor practices would bring about shift in emphasis.

G. DISCUSSION OF COST, EFFECTIVENESS AND PROGRAM SIZE DATA

The program is managing to maintain its effectiveness under the current level of services. We are continually seeking better cost/benefit procedures to enhance our operation for further improvements on the timeliness of our financial/expenditure and other management information reports from which the line operations will be better able to allocate their resources in a more effective and efficient manner.

H. DISCUSSION OF PROGRAM REVENUE

Federal funds are derived from the U.S. Department of Labor for the operation of the Employment Security Program, Job Training Programs, and Occupational Safety and Health Program.

I. SUMMARY OF ANALYSIS PERFORMED

None.

J. FURTHER CONSIDERATION

None.

REPORT P61-A

PROGRAM ID:

LBR903

PROGRAM STRUCTURE NO. 020503

PROGRAM TITLE:

OFFICE OF COMMUNITY SERVICES

							IN THOUSANDS				
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11			
OPERATING COST	7.00*	6.00*	6.00*	6.00*	6.0*	6.0*	6.0*	6.0*			
PERSONAL SERVICES	1,102,265	1,002,167	1,042,360	1,042,360	1,043	1.043	1,043	1,043			
OTHER CURRENT EXPENSES	9,269,260	10,017,161	8,282,341	8,282,341	8,282	8,282	8,282	8,282			
TOTAL OPERATING COST	10,371,525	11,019,328	9,324,701	9,324,701	9,325	9,325	9,325	9,325			
				=======================================	*****		*****	=======			
BY MEANS OF FINANCING											
	4.00*	4.00*	4.00*	4.00*	4.0*	4.0*	4.0*	4.0*			
GENERAL FUND	4,461,565	5,209,466	3,492,982	3,492,982	3,493	3,493	3,493	3,493			
	3.00*	2.00*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*			
OTHER FED. FUNDS	5,909,960	5,809,862	5,831,719	5,831,719	5,832	5,832	5,832	5,832			
TOTAL POSITIONS	7.00*	6.00*	6.00*	6.00*	6.00*	6.00*	6.00*	6.00*			
TOTAL PROGRAM COST	10.371.525	11.019.328	9,324,701	9,324,701	9.325	9.325	9,325	9,325			
	=======================================	=======================================	-,527,701	7,524,701	,,J2J	, J25 =======	7,329	7,323			

PERFORMANCE MEASURES AND PROGRAM REVENUES REPORT P62 LBR-903

PROGRAM ID:

PROGRAM STRUCTURE NO: 020503

PROGRAM TITLE:

OFFICE OF COMMUNITY SERVICES

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS	THE THE MET AND SELVE AND SHAPE SHAPE	***************************************				***		
1 % ECON DISADY INDIVS/HSEHLDS OBTAING EMPLOYMT 2 % REFUGEE INDIVS/HSEHLDS OBTAING EMPLOYMENT	100	100	100	100	100	100	100	100
3 % IMMIG INDIVS/HSEHLDS SERVED THAT OBTAIN EMPLOYMT	43 95	80 95	80 95	80 95	80 95	80 95	80 95	80 95
PROGRAM TARGET GROUPS								
1 NO. ECONOMICALLY DISADVANTAGED PERSONS SERVED	58000	55000	55000	55000	55000	55000	55000	55000
2 NUMBER OF IMMIGRANTS SERVED 3 NUMBER OF REFUGEES SERVED	2280 38	2250 50	2250 50	2250 50	2250 50	2250 50	2250 50	2250 50
PROGRAM ACTIVITIES								
1 NO. OF FEDERAL GRANT APPLICATIONS AWARDED	26	30	30	30	30	30	30	30
2 NO. OF STATE POS PROPOSALS AWARDED	40	40	40	40	40	40	40	40
3 NO. OF RESEARCH/STUDIES COMPLETED 4 NO. OF PROGRAMS MONITORED/EVALUATED	_1	1	1	1	1	1	1	1
5 NO. OF TRAINING/TECHNICAL ASSISTANCE PROVIDED	54 58	60 60	60 60	60 60	60 60	60 60	60 60	60 60
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):							00	00
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER	3,347	3,665	3,665	3,665	3,665	3,665	3,665	3,665
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	3,347	3,665	3,665	3,665	3,665	3,665	3,665	3,665
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF	F DOLLARS):					•	.,	-,,-
SPECIAL FUNDS	3,347	3,665	3,665	3,665	3,665	3,665	3,665	3,665
TOTAL PROGRAM REVENUES	3,347	3,665	3,665	3,665	3,665	3,665	3,665	3,665

A. Statement of Program Objective(s)

To facilitate and enhance the development, delivery and coordination of effective programs to those in need (low-income/disadvantaged persons, immigrants, and refugees), and to provide advice and assistance to all agencies of the Executive Branch, other private agencies in the human service field, and the Legislature.

B. Description of Request and Compliance with Section 37-68 (1) (A) (B)

- Request to establish additional position: In Act 154 of the Regular Session of 2004, the Legislature appropriated \$53, 376 in federal funds for one permanent position to the Office of Community Services (OCS). Because this appropriation and position were not included in the budget for OCS in the Supplemental Appropriations Act of 2004, OCS requests here to add this federal position to its budget. The position will be used as a program specialist for the delivery of services to the economically disadvantaged, immigrants, and refugees as provided in Act 154.
- 2. Reduction of \$846,919 in state general funds for purchase of service (POS) programs: OCS' general fund budget for POS programs has been reduced by \$846,919 because the Department of Human Services (DHS) will make available to OCS on an ongoing basis an offsetting amount that OCS may claim in reimbursements from DHS from its federal Temporary Assistance to Needy Families (TANF) funds. However, the amount of funds that may be obtained by OCS from DHS could fall far short due to the large extent that OCS programs and needy target populations are not eligible for coverage with TANF funds. Consequently, it is expected that OCS' funding of POS contracts will be reduced at the beginning of the biennium, and

may be adjusted subsequently depending on the amount of reimbursement actually obtained from DHS in the first year. A "U" fund appropriation for OCS in the amount of the reduction will also be requested by the Governor in her Message to the Legislature that would allow OCS to expend reimbursement received from DHS.

C. <u>Description of Activities Performed</u>

- 1. Establish statewide goals and objectives relating to disadvantaged persons, immigrants, and refugees.
- Study the facts concerning the needs of disadvantaged persons, immigrants, and refugees in the State through adequate research studies.
- Review legislation pertaining to programs within the purview of the
 office and appropriations made for services to the disadvantaged,
 immigrants, and refugees; recommend necessary additions and
 revisions; and report to the Governor regarding such legislation.
- 4. Evaluate the availability, adequacy, and accessibility of all services for the disadvantaged, immigrants, and refugees in the State.
- Assist and coordinate the efforts of all public and private agencies providing services, which affect the disadvantaged, immigrants, and refugees.
- Maintain contacts with local, state, and federal officials and public and private agencies concerned with the planning for the disadvantaged, immigrants, and refugees.

LBR 903 OFFICE OF COMMUNITY SERVICES

- Monitor the performance of all agencies receiving funds through our office as it relates to the delivery of services to the disadvantaged, immigrants, and refugees.
- Encourage and foster local action in behalf of the disadvantaged, immigrants, and refugees.

D. Statement of Key Policies Pursued

- To enable individuals and families (low-income/disadvantaged persons, immigrants, and refugees) to advance toward or attain economic self-sufficiency.
- 2. To enable communities to alleviate high unemployment, low educational achievement, and dependence on financial assistance.

E. Identification of Important Program Relationships

OCS is responsible for contracting services with private, non-profit agencies possessing appropriate capabilities to operate federal and state human service programs.

F. Description of Major External Trends Affecting the Program

The number of persons in poverty in Hawaii continues to increase despite a decrease in the number of persons on welfare. It is this gap group that continues to seek assistance from the community based services that are funded by OCS' POS programs and the federal programs administered by OCS for the disadvantaged, immigrants and refugees in Hawaii.

G. <u>Discussion of Cost, Effectiveness and Program Size Data</u>

OCS is shifting from a cost reimbursement payment system to a performance based payment system based on milestones for two of its larger general funded POS programs, in order to contain costs and obtain improved efficiencies and outcomes for those in need.

H. <u>Discussion of Program Revenue</u>

None

I. Summary of Analysis Performed

None

J. Further Consideration

As the economy improves, greater consideration should be given to those that have been most adversely affected by the economic downturn in Hawaii in recent years, namely the low-income and other disadvantaged persons, immigrants and refugees, to assure that they are not left behind.

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